



**Katie Flight**  
October 10, 2013

# Verallia North America

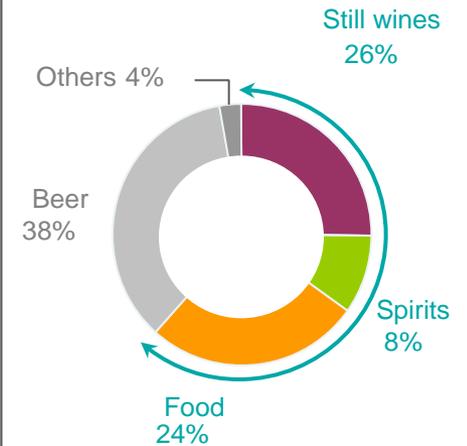
## Key Figures

- Leadership position in selected segments
- Number of sites / furnaces: 13/29
- Employees: 4,300
- Sales \$ 1.605M
- CAPEX \$ 107M (6.9% of Sales)

## Wines, FBS (Food, Beverages and Spirits) & Beer



## Net sales Breakdown<sup>(1)</sup>



## Premium Segments

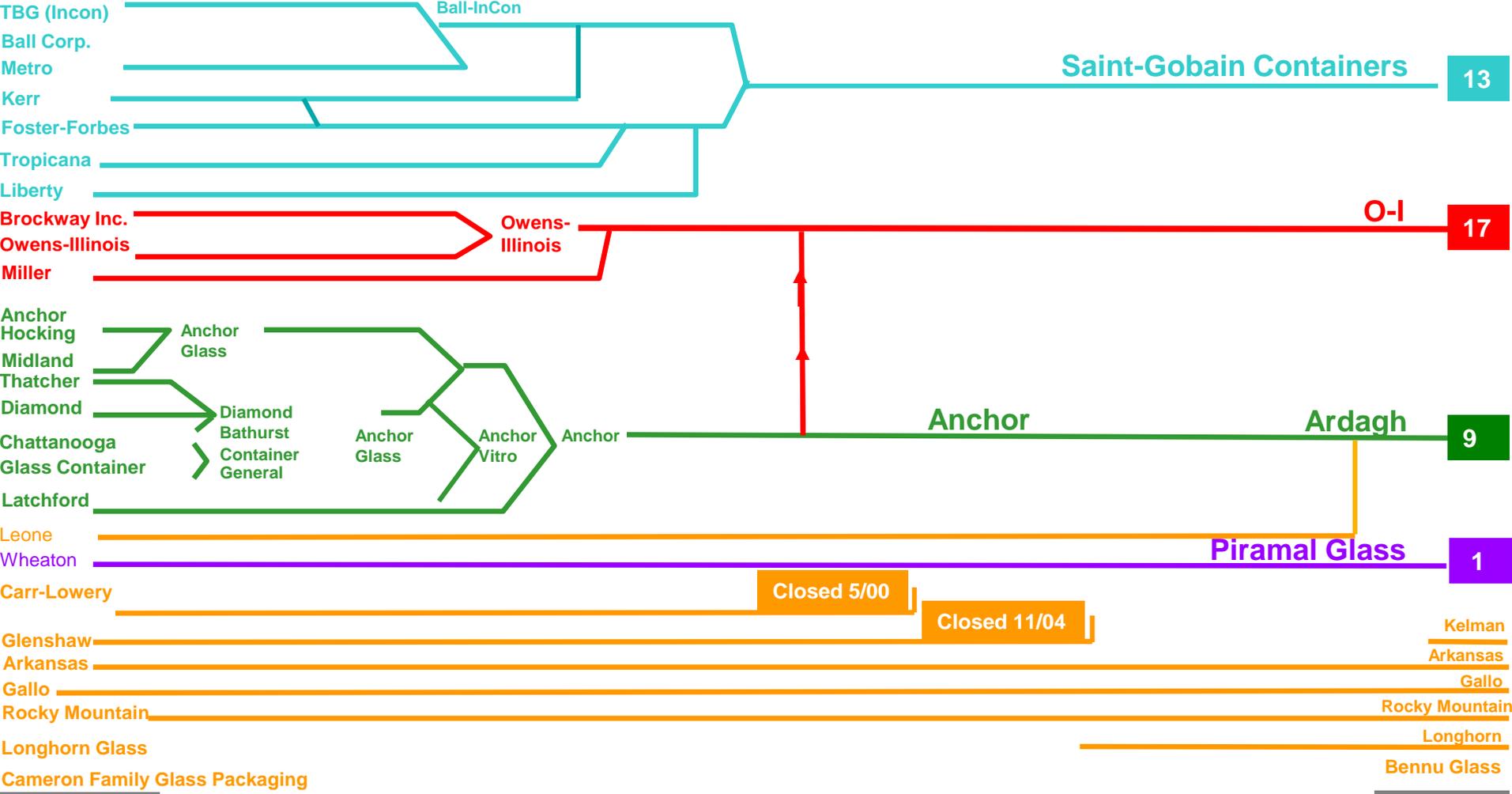
Net sales: \$1,605m

(1) Company data

# U.S. Glass Container Industry 1980-2012

## Accelerated Consolidation

1980 1982 1984 1986 1988 1990 1992 1994 1996 1998 2000 2002 2004 2006 2008 2010 2012



110 Plants

46 Plants



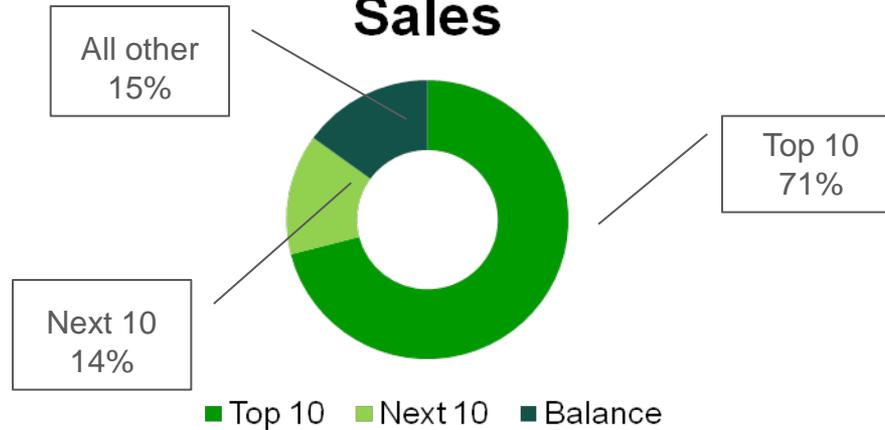
# Verallia North America

## Customer Base

Over 150 Customers...



### Sales



# Verallia North America

## Customer Base (by US dollars)

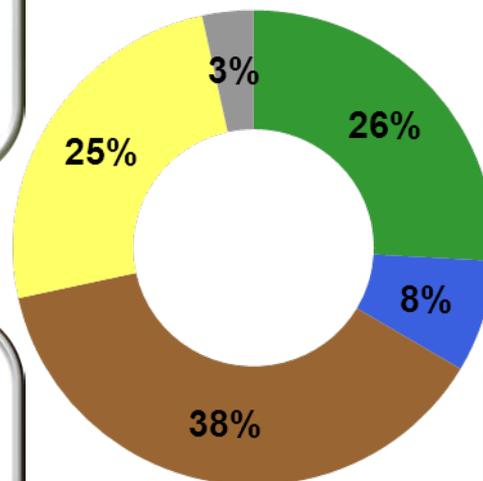
Food & Beverage 28%



Wine 26%



Beer 38%



- Wine
- Spirits
- Beer
- Food
- Beverage

Spirits 8%



# Seattle, WA Facility

- Build in 1931 by North West Glass Co
- 365 hourly-represented and salary employees
- Four furnaces that use 795 tons of raw and recycled materials per day
- Verallia's Seattle plant has been manufacturing wine bottles in the heart of the growing vineyards of the Pacific Northwest for over 35 years
- Produces over 350 million bottles annually!
- Seattle produces more than 250 different bottles
- 9 different colors



# Verallia North America

## *Awards & Recognitions*



- ➔ **Only glass container company to execute a Global Consent Decree for entire business with the EPA**
  
- ➔ **Verallia North America, along with parent company Saint-Gobain, awarded the 2013 ENERGY STAR® Sustained Excellence Award by the EPA**
  - First glass company to receive the award
  - Recognizes outstanding energy management and reductions in greenhouse gas emissions
  - Fifth consecutive year to win (2009 and 2010 – ENERGY STAR® Partner of the Year, 2011 – 2013 ENERGY STAR® Sustained Excellence Award)
  
- ➔ **Three Verallia plants awarded the ENERGY STAR for superior energy performance in 2012...only container plants in the country to do so**
  
- ➔ **Verallia North America's Henderson, N.C., Lincoln, Ill., and Burlington, Wis., facilities were awarded ISO 22000:2005 food safety management systems certification**
  - First glass company to achieve the award in North America





## Verallia North America

### *Sustainability Initiatives*



Glass Recycles

# Why are we doing this?

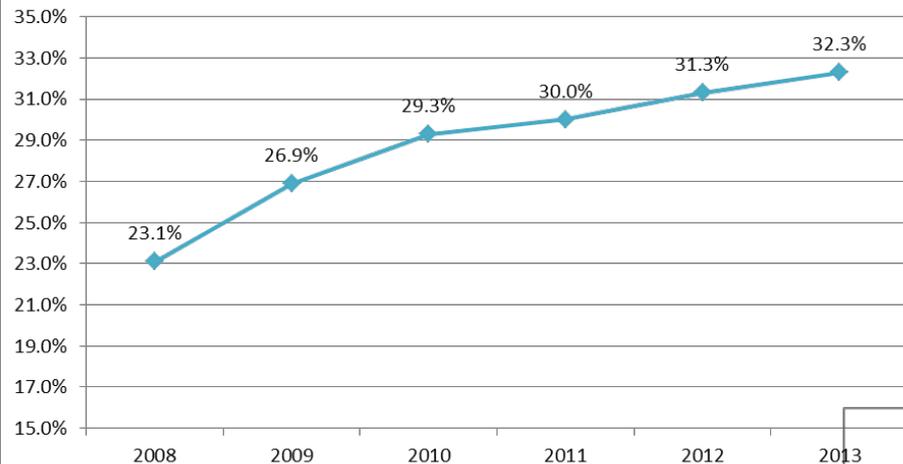
- **It's the right thing to do for our planet! And it's good for business!**
- **Glass is 100% Recyclable**
  - Can be recycled continuously
  - “Bottle to Bottle”
- **10% increase in recycled glass reduces our energy requirement by 3-4%**
- **Extends furnace life**
- **10% increase in cullet reduces...**
  - Particulates 8%
  - Nitrogen Oxide 4%
  - Sulfur Oxides 10%
- **Saves natural resources**
  - One ton of cullet saves approximately 1.125 tons of the earth's natural resources
  - Reduces energy for mining and transportation
- **For every 6 tons of recycled glass used, 1 ton of CO<sub>2</sub> is reduced.**



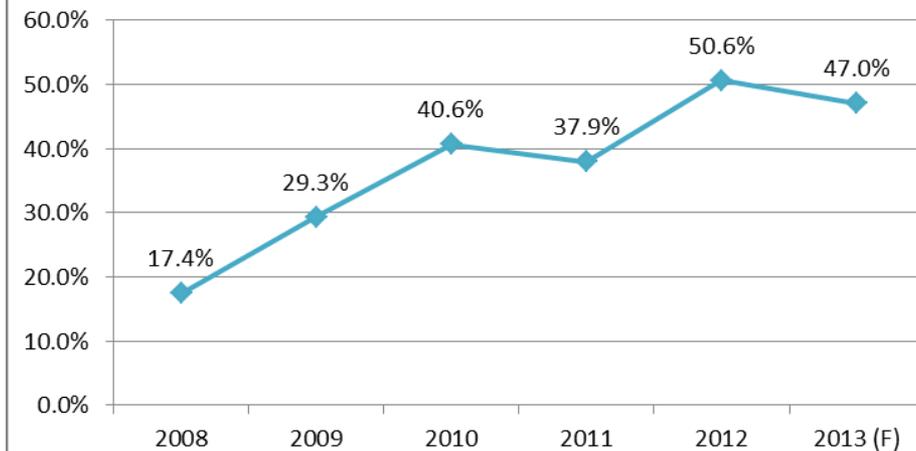
Glass Recycles

# Increased Cullet Usage

### VNA Purchased Cullet Usage



### Seattle Purchased Cullet Usage



# Looking forward

→ Our strategy and tactics to meet this goal:

- Focus on **QUALITY** of current supply
- Focused **RELATIONSHIPS** with key suppliers
- **GOVERNMENTAL AFFAIRS**
  - Best quality comes from states with container deposit legislation, ie bottle bills



**Single-Stream Recycling Guide**

You can now place all recyclables in one bin!

**NO**

- plastic bags & caps
- shredded paper
- hard-back books
- scrap metal
- Tyvek envelopes
- plastic 6-pack holders
- needles or syringes
- paper ream wrappers
- plastic microwave trays
- frozen food, ice cream or frozen juice containers
- mirrors, ceramics or Pyrexia
- light bulbs, plates or wares
- drinking glasses, window glass
- hazardous or bio-hazardous waste
- plastics other than those listed
- issues, paper towels, napkins
- waxed paper or waxed cardboard
- stickers or sheets of address labels (affixed address labels and stamps ok)
- Martha (orange/brown) envelopes
- Synfoam or paper-to-go containers

**Recyclables:**

- Opened mail & greeting cards
- File folders
- Paper egg cartons
- Blueprints
- Paperboard boxes
- Magazines, brochures & catalogs
- White or pastel office paper
- Newsletters & inserts (no bags)
- Phone books
- Flattened cardboard & paper bags
- Paper milk/juice cartons (no foil pouches, do not flatten)
- Paper-back books
- Empty aerosol cans (no caps)
- #1-7 Plastic tubs & screw-top jars (no lids, no #7 PLA compostables, do not flatten)
- #1-7 Plastic bottles & jugs (no lids, no #7 PLA compostables, do not flatten)
- Cans (do not crush)
- Clean, labeled aluminum foil (2" or larger and pre-pans)
- Glass bottles & jars
- Flattened metal jar lids & steel bottle caps
- No need to remove paper clips, stamps, address labels, staples, tape, wire, metal fasteners, rubber bands, spiral bindings, plastic tabs.
- Please flatten all cardboard boxes.
- Empty and rinse all containers. Do not flatten containers.

Please follow these guidelines carefully.

Questions? Call or visit:  
Eco-Cycle: 303-444-6634  
www.eco-cycle.org  
Boulder County: 720-564-2220  
City of Boulder/Recycle Boulder  
Hotline: 303-999-3823  
www.environmentalfairs.com

aim for **zer** waste

Single-Stream Recycling



# Quality

→ **Increasing cullet usage = increasing quality requirements**

→ **Highest quality cullet comes from 10 states with bottle bills**

- 65% of all cullet purchased in the US comes from these 10 states

- Milford, MA – 90%

- Madera, CA – 70%



# Quality

## → Critical areas of focus

- Color – must be color separated



- Contamination – ceramics, stones, metals, etc

- Higher melting temperatures, creates defect in container
- Damages furnaces

- Organics – paper, plastic, sugar, oils, etc

- Creates carbon which can impact emissions
- Impacts color



- Size – small pieces < 1/4” cannot be ceramic detected or color sorted

- Color variation
- Small contaminants (ceramics, stones, etc) creating defects
- Organics take longer to decompose

# Relationships

## → New partnership in Seattle with Strategic Materials

### ○ Two facilities

- Abbotsford, British Columbia – will supply bottle bill cullet to Seattle, expected completion October 2013
- Seattle, Washington – on site cullet facility at Verallia to process curbside, expected completion second quarter 2013

### ○ State of the art technology in Seattle, WA

- Significant millions \$\$ investment
- 14 optical sorters to color sort and remove contaminants
- XRF technology

# Government Affairs

## → Container Deposit Legislation provides:

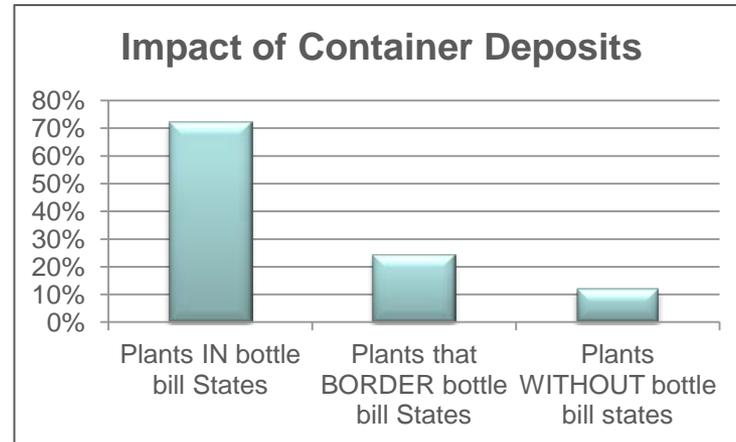
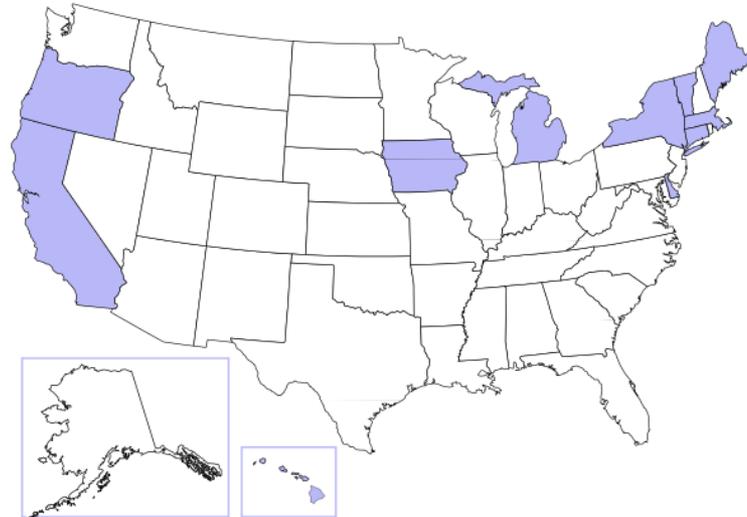
- High volume
- High quality

## → Support Recycling Legislation

- Container Deposit Laws (Bottle Bills)
- Bar and Restaurant Recycling

## → Success stories

- Madera, CA – 70%
- Milford, MA – 90%





glass  
endlessly recyclable